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LISTING STATEMENT NO. 2608

LISTED APRIL 3, 1973

2,912,883 Class A Shares without par value of which 443,635 shares are subject to issuance.

Stock Symbol SRN ■ A

Post Section 11

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

STRATHEARN HOUSE GROUP LIMITED

(Incorporated under the laws of the Province of Ontario
by Letters Patent dated January 21, 1965)

CUSIP

CLASS A 863043 10 5

CLASS B 863043 20 4

CAPITALIZATION AS AT MARCH 21, 1973

SHARE CAPITAL	Authorized	Issued and Outstanding	To be Listed
Class A shares without par value	5,000,000	2,469,248	2,912,883*
Class B shares without par value	1,000,000	443,635	Nil
Common shares without par value	100	Nil	Nil
* of which 443,635 are subject to issuance			

LONG-TERM DEBT**

Note Payable to Dylex Limited	(1)	\$3,900,000	Nil
Note Payable to Inspiration Lumber	(1)	\$640,000	Nil
Other long-term debt (leases and mortgages)	(1)	\$240,000	Nil

** includes current portion of long-term debt

(1) Capitalization of Strathearn House Group Limited is more particularly described under the heading "Consolidated Capitalization" in the Prospectus below mentioned.

March 21, 1973

1. APPLICATION

Strathearn House Group Limited (hereinafter called the "Corporation") hereby makes application for a listing on the Toronto Stock Exchange of 2,912,883 Class A shares without par value of which 2,469,248 have been issued and are outstanding as fully paid and non-assessable, and 443,635 have been reserved against the right of conversion into Class A shares of each of the 443,635 issued and outstanding Class B shares without par value of the Corporation. Each Class B share is convertible into a Class A share at the holder's option.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached Prospectus (the "Prospectus") issued by the Corporation and dated February 6, 1973, with respect to the offering of 2,469,248 Class A shares and 443,535 Class B shares, a copy of which Prospectus is herein incorporated as part of this application and made a part thereof.

3. HISTORY OF THE CORPORATION AND NATURE OF BUSINESS

A history of the Corporation and description of the nature of its business and that of its subsidiaries are set forth under the headings of the Prospectus as follows:

Strathearn House Group Limited	page 6
Transfer of Home Products Division to Strathearn	page 7
Description of business	pages 7-12 inclusive

4.

INCORPORATION

The Corporation was incorporated under the laws of the Province of Ontario by Letters Patent dated January 21, 1965, all of which is particularly described under the heading "Strathearn House Group Limited" on page 6 of the Prospectus.

5.

SHARES ISSUED SINCE INCORPORATION

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
(a) Class A shares without par value:				
Between February 9, 1973 and March 13, 1973	2,452,680	\$2.00	\$4,905,360.00	To generate funds to be used as part consideration for the acquisition of the Home Products Division of Dylex Limited*
March 20, 1973	16,568	\$2.00	\$33,136.00	To generate funds to be used as part consideration for the acquisition of the Home Products Division of Dylex Limited*
(b) Class B shares without par value				
**January 21, 1965	100	\$1.00	\$100.00	Issued to subscribers for cash consideration
Between February 9, 1973 and March 13, 1973	437,355	\$2.00	\$874,710.00	To generate funds to be used as part consideration for the acquisition of the Home Products Division of Dylex Limited*
March 20, 1973	6,180	\$2.00	\$12,360.00	To generate funds to be used as part consideration for the acquisition of the Home Products Division of Dylex Limited*

* See the heading "Transfer of Home Products Division to Strathearn" on page 7 of the Prospectus.

** By Articles of Amendment dated December 21, 1972, the 100 common shares were reclassified as 100 Class B shares without par value.

6.

DESCRIPTION OF SHARES

See the heading "Shares of Strathearn" on page 14 of the Prospectus.

7.

DIVIDEND RECORD

See the heading "Dividend Record and Policy" on page 15 of the Prospectus.

8.

PROPERTIES

See the headings "Cadillac" on page 8, "Singer" on page 9, "Emanuel" on page 10, "Troister" on page 11 and "Ackripak" on page 11 of the Prospectus.

9.

SUBSIDIARY COMPANIES

See the heading "Transfer of Home Products Division to Strathearn" and "Description of Business" on page 7 of the Prospectus.

Cadillac Building Products Co. Limited ("Cadillac") was incorporated under the laws of the Province of Ontario by Articles of Incorporation dated December 21, 1972. The authorized capital of Cadillac is 40,000 shares without par value, which shares shall not be issued for a consideration exceeding \$40,000.00. There are 1,000 shares issued and outstanding.

Singer Lighting Co. Ltd. ("Singer") was incorporated under the laws of Ontario by Articles of Incorporation dated December 21, 1972. The authorized capital of Singer is 40,000 shares without par value, which shares shall not be issued for a consideration exceeding \$40,000.00. There are 1,000 shares issued and outstanding.

Emanuel Products Limited ("Emanuel") was incorporated under the laws of the Province of Ontario by Letters Patent of Amalgamation dated July 31, 1970. The authorized capital of Emanuel is 40,000 common shares without par value, which shares shall not be issued for a consideration exceeding \$40,000.00. There are 2,700 common shares issued and outstanding.

Troister & Company Limited ("Troister") was incorporated under the laws of the Province of Ontario by Letters Patent dated July 26, 1956. The authorized capital of Troister is divided into 4,500 preference shares with a par value of \$10.00 each, none of which preference shares has been issued, and 10,000 common shares without par value, all of which said 10,000 common shares are issued and outstanding. The aggregate consideration for the issuance of the common shares shall not exceed \$10,000.00.

This prospectus constitutes a public offering of these securities in those jurisdictions where they may be lawfully offered for sale. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereby and any representation to the contrary is an offence.

NEW ISSUE:

Strathearn House Group Limited

(Incorporated under the laws of the Province of Ontario)

2,469,248 Class A Shares

(non-voting)
and

443,535 Class B Shares

(Each Class B Share is convertible into a Class A Share at the holder's option.)

Subscription Price: \$2.00 per share

As set forth under the heading Details of the Offering on page 3, Dylex Limited (Dylex), pursuant to a contract with Strathearn House Group Limited (Strathearn), is offering to holders of its Class A Preferred Shares and Common Shares the right to subscribe respectively to Class A Shares and Class B Shares of Strathearn through the exercise of transferable Rights at the subscription price of \$2.00 per share on the basis of one Class A Share or Class B Share of Strathearn for each two Class A Preferred Shares or Common Shares of Dylex, respectively, held of record at the close of business on February 5, 1973. The Rights are expected to be mailed to the shareholders of Dylex on or about February 9, 1973 and will expire at 5:00 p.m. local time on March 13, 1973.

	<u>Subscription Price</u>	<u>Underwriting Commission (1)</u>	<u>Proceeds to Strathearn (2)</u>
Per share	\$ 2.00	maximum \$0.16 minimum \$0.03	\$1.84 \$1.97
Total	\$5,825,566	maximum \$468,372 minimum \$90,000	\$5,357,194 \$5,735,566

(1) As more fully described under the heading Plan of Distribution on page 5.
(2) Before deducting expenses of the issue estimated at \$50,000.

There is no market for the shares of Strathearn and the subscription price was determined by negotiation between Dylex, Strathearn and the Underwriter.

In the opinion of counsel, these shares will be investments in which the Canadian and British Insurance Companies Act (Canada) states that a company registered under Part III thereof may invest its funds without resorting to the provisions of subsection (4) of Section 63 of the said Act.

Application has been made to list the Class A Shares of Strathearn on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

The Underwriter has agreed to purchase all Class A Shares and Class B Shares of Strathearn not subscribed for pursuant to the exercise of the Rights. Shares so purchased will be offered by the Underwriter as principal for sale at the market price (which may differ from the Subscription Price), when issued by Strathearn and purchased by the Underwriter in accordance with the conditions contained in the Underwriting Agreement referred to under Plan of Distribution and subject to the approval of all legal matters on behalf of Strathearn by Messrs. Stitt, Baker & McKenzie, Toronto, and on behalf of the Underwriter by Messrs. Davies, Ward & Beck, Toronto.

It is expected that share certificates in definitive form will be available upon exercise of the Rights on and after February 19, 1973.

TABLE OF CONTENTS

	Page
Details of the Offering	3
Purchaser's Statutory Rights of Withdrawal and Rescission	5
Plan of Distribution	5
Strathearn House Group Limited	6
Transfer of Home Products Division to Strathearn	7
Description of Business	7
Cadillac	8
Singer	9
Emanuel	10
Troister	11
Ackripak	11
Management	12
Directors and Officers	12
Remuneration of the Directors and Senior Officers	13
Interest of Management and Others in Material Transactions	13
Consolidated Capitalization	14
Shares of Strathearn	14
Dividend Record and Policy	15
Principal Shareholders	15
Promoter	16
Material Contracts	16
Auditors, Transfer Agent and Registrar	16
Auditors' Report	17
Financial Statements	18
Certificates	25
Certificate of Underwriter	26

DETAILS OF THE OFFERING

Formation of Strathearn

Strathearn will conduct the business of the Home Products Division of Dylex and further the development and expansion of that Division. This will permit Dylex to concentrate its activities on the manufacturing and retail merchandising of wearing apparel. On February 5, 1973 Strathearn acquired the several businesses and subsidiaries that constituted the Home Products Division. Reference is made to Transfer of Home Products Division to Strathearn on page 7. Through the issuance of Rights to subscribe for Class A Shares and Class B Shares of Strathearn, shareholders of Dylex of record on February 5, 1973 will be afforded the right to acquire an investment in Strathearn proportionate to their present investment in Dylex.

Use of Proceeds

The net proceeds of the issue to Strathearn estimated to be between \$5,307,194 and \$5,685,566, after deducting expenses of the issue estimated at \$50,000, will be used to pay part of the purchase price to Dylex as referred to under the heading Transfer of Home Products Division to Strathearn on page 7. The balance of the purchase price payable to Dylex will be satisfied by a note payable to Dylex and by bank borrowing. Reference is made to Notes 2 (f) and 2 (h) of Notes to Combined and Consolidated Financial Statements on page 23.

Offering to Shareholders

Dylex is offering to the holders of its outstanding Class A Preferred Shares and Common Shares Rights to subscribe respectively for Class A Shares and Class B Shares of Strathearn on the basis of one Class A Share or Class B Share of Strathearn for each two Class A Preferred Shares or Common Shares of Dylex held by them at the close of business on February 5, 1973 (the record date), as shown by the books of Dylex. Each holder of Class A Preferred Shares or Common Shares of Dylex is entitled to one Right for each share held on the record date. The subscription price is \$2.00 per Class A Share or Class B Share of Strathearn.

Subscription Warrants

The Rights are evidenced by transferable subscription Warrants registered in the names of the holders of Class A Preferred Shares or Common Shares of Dylex of record on the record date. Each shareholder of Dylex will receive a subscription Warrant evidencing the total number of Rights to which he is entitled. Two Rights and \$2.00 are required to subscribe for each Class A Share or Class B Share of Strathearn. No fractional shares will be issued. Subscription Warrants may be combined or divided if desired.

The subscription Warrants will be issued and delivered by first class insured mail to each shareholder of Dylex on or about February 9, 1973.

Expiration Date

The Rights will expire at 5:00 p.m. local time on March 13, 1973, and RIGHTS NOT EXERCISED PRIOR THERETO WILL BE VOID.

Exercise of Rights

Rights are exercised by executing the subscription form on the Warrant and delivering it with the full subscription price of \$2.00 per share by certified cheque, bank draft or money order, in favour of National Trust Company, Limited at any of its following offices:

Montreal	Toronto	Calgary	Vancouver
1350 Sherbrooke Street West	21 King Street East	300-8th Avenue South-West	510 Burrard Street

so as to be received at such offices on or before 5:00 p.m. local time on March 13, 1973.

Purchase and Sale of Rights

Rights may be purchased or sold through brokers or investment dealers. It is expected that the Rights will be traded on The Toronto Stock Exchange until shortly before they expire on March 13, 1973.

Subscription Warrants evidencing two or more Rights may be divided by sending them to National Trust Company, Limited at any one of its above offices, which will issue new subscription Warrants representing the same aggregate number of Rights divided as the holder shall have requested.

National Trust Company, Limited, for the account of holders of subscription Warrants, will make purchases or sales of single Rights in order to round out subscriptions for whole shares. These services will be rendered by National Trust Company, Limited without service charge to the holders of the subscription Warrants and are subject to its ability to find a seller or purchaser of Rights, as the case may be. National Trust Company, Limited may offset buying and selling orders on the basis of market prices. Instructions set forth in the subscription Warrants relating to transfer must be complied with.

Shareholders Outside Canada

The shares of Strathearn are not being offered for sale in the United States of America or any of the territories or possessions thereof and subscriptions will not be accepted from any person or his agent who appears to be, or who Strathearn or the Underwriter have reason to believe is, a resident of the United States of America or any of the territories or possessions thereof. Dylex understands that such resident may sell his Rights in Canada.

Shareholders whose recorded addresses are outside Canada and the United States of America and any of the territories or possessions thereof will not be forwarded subscription Warrants but will be sent a letter by air mail advising them that their subscription Warrants will be issued to and held by National Trust Company, Limited, Toronto for the account of such shareholders who may, prior to 5:00 p.m. local time on March 9, 1973 instruct National Trust Company, Limited, Toronto, as to the exercise, sale or other disposition of their Rights. If instructions are not received prior to that time, then National Trust Company, Limited will be entitled to sell, if possible, for the account of such shareholders the Rights evidenced by the subscription Warrants and the proceeds, if any, will be remitted to such shareholders.

Delivery of Share Certificates

Certificates for the Class A Shares and Class B Shares of Strathearn are expected to be available on and after February 19, 1973 and, unless otherwise directed, will be forwarded by registered mail as soon after subscription as is practicable. Certificates will be registered in the name of the subscriber or in such other name as may be specified on the subscription Warrant (subject to payment, in the latter case, of the applicable transfer tax, if any). Certificates will not be delivered to addresses in the United States of America or its territories or possessions.

Taxes

With respect to shareholders of record on the record date, Dylex has received a ruling from the Department of National Revenue to the effect that the receipt of Rights by such shareholders will not be considered for Canadian income tax purposes to be a taxable benefit conferred on them or a dividend paid or deemed to be paid.

In the opinion of counsel for Dylex, the receipt by shareholders resident in Canada of the Rights represented by the transferable subscription Warrants will not result in a Canadian income tax and, with respect to such shareholders resident in Canada (other than those who are traders and dealers in securities), one-half of the proceeds from the sale of a Right will be a taxable capital gain and accordingly will be included in such shareholders' income for Canadian income tax purposes. The cost for purposes of Canadian tax on capital gains of a Class A Share or Class B Share of Strathearn acquired from the exercise of Rights by such shareholders will be equal to the subscription price of \$2.00

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Section 64 and 65 of The Securities Act (Ontario), Sections 63 and 64 of The Securities Act (Manitoba), Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan) and Sections 64 and 65 of The Securities Act (Alberta) provide, in effect, that where a security is offered to the public in the course of distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that a purchaser has a right of rescission similar to that described in (b) above, and also that a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with the financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

Reference is made to the said acts for the complete text of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

PLAN OF DISTRIBUTION

James F. Kay, Wilfred Posluns, Irving A. Posluns and Jack I. Posluns and their respective associates beneficially own in the aggregate 29.2% of the outstanding Class A Preferred Shares of Dylex (1,441,658 shares) and 67.7% of the outstanding Common Shares of Dylex (600,134 shares) and have agreed to exercise their Rights with respect to all of the Class A Shares and Class B Shares of Strathearn represented by such Rights on or before February 12, 1973. This amounts to 720,829 Class A Shares and 300,067 Class B Shares of Strathearn offered by this prospectus and, as set forth under the heading Principal Shareholders on page 15, the above named persons will own, directly or indirectly, of record or beneficially, 23.5% of the issued Class A Shares and 66.2% of the issued Class B Shares of Strathearn upon completion of this financing assuming all the Rights are exercised.

Strathearn and Dylex have entered into an agreement dated February 6, 1973 (the Underwriting Agreement) with Richardson Securities of Canada (the Underwriter) under which Strathearn has agreed to sell and the Underwriter has agreed to purchase on March 20, 1973 at the subscription price of \$2.00 per share such number of Class A Shares and Class B Shares of Strathearn respectively (the Underwritten Shares) equal to the number of shares of each class not taken up and paid for pursuant to the exercise of the Rights which expire at 5:00 p.m. local time on March 13, 1973. The purchase price for such shares of Strathearn will be paid in cash against delivery of certificates therefor, subject to the purchase by the above named persons and their associates of an aggregate of 720,829 Class A Shares and 300,067 Class B Shares as referred to in the preceding paragraph hereof and to the receipt by the Underwriter of favorable opinions of counsel. Except as aforesaid, the obligation of the Underwriter to take up and pay for the Underwritten Shares is unconditional.

Strathearn has agreed in the Underwriting Agreement to make payments as follows:

- (i) a management commission of \$90,000 to the Underwriter;
- (ii) \$0.05 in respect of each Class A Share and Class B Share of Strathearn, other than those subscribed for by the above named persons and their associates, for which a subscription is procured by a member of the Soliciting Dealer Group, payable to such member, subject to a minimum fee of \$5.00 in respect of Rights exercised by, on behalf of or for the account of each beneficial subscriber; and
- (iii) on the expiration of such Rights, commissions payable to the Underwriter based on the percentage which the total number of Underwritten Shares bears to the 2,469,248 Class A Shares and 443,535 Class B Shares offered by this prospectus as follows: up to and including 10%, \$0.10 per Underwritten Share; over 10% and up to and including 20%, \$0.15 per Underwritten Share; or over 20%, \$0.20 per Underwritten Share.

The minimum aggregate commission payable to the Underwriter would be \$90,000 if all the Class A Shares and Class B Shares of Strathearn were taken up by the holders of Class A Preferred and Common Shares of Dylex and no commissions were payable under subdivisions (ii) and (iii) above. The maximum aggregate commission payable to the Underwriter would be \$468,372 if none of the Class A Shares and Class B Shares other than Shares purchased by the above named persons and their associates were purchased pursuant to the exercise of Rights.

By the terms of the Underwriting Agreement, the Underwriter has agreed to use its best efforts to create, during the period for the exercise of Rights, a market for the sale and purchase of Rights and to endeavor to obtain the exercise of Rights and for these purposes to form a Soliciting Dealer Group consisting of members of the Investment Dealers' Association of Canada, The Toronto Stock Exchange and the Montreal Stock Exchange, of which the Underwriter will be manager.

STRATHEARN HOUSE GROUP LIMITED

Strathearn was incorporated under the laws of Ontario by letters patent dated January 21, 1965. By articles of amendment dated December 21, 1972, Strathearn changed its corporate name to its present form, reorganized its authorized capital to 5,000,000 Class A Shares without par value, 1,000,000 Class B Shares without par value and 100 Common Shares without par value and was converted from a private to a public company. Unless the context otherwise requires, the term Strathearn as used herein includes the predecessors and subsidiaries of Strathearn.

Strathearn previously operated as a private investment company and all of its presently issued and outstanding shares, consisting of 100 Class B Shares, are owned by Dylex. After completion of this financing, Dylex will not own any shares in the capital of Strathearn other than such 100 Class B Shares. The head and principal office of Strathearn is located at 637 Lakeshore Boulevard West, Toronto, Ontario.

The Home Products Division of Dylex was transferred to Strathearn on February 5, 1973 as described under the heading Transfer of Home Products Division to Strathearn on page 7, and the information and descriptions contained in this prospectus assumes, unless otherwise specified, that such operations have been conducted by Strathearn for the periods indicated.

TRANSFER OF HOME PRODUCTS DIVISION TO STRATHEARN

Strathearn was reorganized for the purpose of acquiring the businesses comprising the Home Products Division of Dylex. Prior to the acquisition of the Home Products Division, Strathearn was a private investment company and its activities were not material in the context of its expanded operations. The transfer of the Home Products Division to Strathearn will enable Dylex to focus its affairs on its wearing apparel operations and permit the management of Strathearn to concentrate on the development and expansion of the Home Products Division.

The businesses comprising the Home Products Division of Dylex consist of two divisions, the Cadillac Building Products Division and the Singer Lighting Division, and three subsidiaries, Ackripak Limited (Ackripak), Emanuel Products Limited (Emanuel) and Troister & Company Limited (Troister). Prior to the transfer to Strathearn, the Cadillac and Singer Divisions of Dylex were incorporated into two new subsidiaries of Dylex, Cadillac Building Products Co. Ltd. (Cadillac) and Singer Lighting Co. Ltd. (Singer).

Pursuant to the provisions of agreements dated as of January 29, 1973 between Dylex and each of Singer, Cadillac and Strathearn, respectively, Dylex transferred the Cadillac Building Products Division to Cadillac, the Singer Lighting Division to Singer and subsequently transferred to Strathearn all of the issued and outstanding shares of Singer, Cadillac, Ackripak, Emanuel and Troister and indebtedness to Dylex, excluding indebtedness created by the transactions referred to in the following paragraph. The aggregate purchase price payable to Dylex by Strathearn for such shares and indebtedness was equal to their aggregate cost to Dylex as reflected on its books of approximately \$12,000,000. The transfer of all of the issued and outstanding shares of such subsidiaries has been accounted for as a purchase and reference is made to Note 1 of Notes to Combined and Consolidated Financial Statements on page 22.

The Home Products Division was operated for the benefit of Dylex until the close of business on February 3, 1973. The net earnings of the divisions and subsidiaries comprising the Home Products Division to the close of business on February 3, 1973, as audited, will be distributed to Dylex. See Note 2(c) of the Notes to the Combined and Consolidated Financial Statements on page 23.

The purchase price is to be satisfied in part by the net proceeds from the sale of shares offered by this prospectus, in part by a note payable to Dylex described in Note 2(h) of Notes to Combined and Consolidated Financial Statements on page 23 and in part by bank borrowing.

After completion of this financing, Dylex will not own any shares of Strathearn except 100 Class B Shares and will not have any other direct or indirect financial interest in Strathearn except the note payable to Dylex, the management fee referred to under the subheading Remuneration of Directors and Senior Officers on page 13 and the leasing arrangements referred to under the subheadings Singer on page 9 and Ackripak on page 11.

DESCRIPTION OF BUSINESS

Strathearn is engaged in the manufacture and marketing of a broad selection of consumer orientated home products. Its principal products are building components used in residential home construction, home furnishings (including lighting fixtures, lamps, tables and wall accessories), television and stereo cabinets, upholstered furniture and plastic containers for use in the food industry.

The management of Strathearn is of the view that it is appropriate to concentrate the businesses comprising the Home Products Division in Strathearn because it will allow management to focus their efforts more directly on the expansion of the Home Products Division as an operational entity.

The contemplated growth in the home products industry in Canada should enable Strathearn to expand its business in the Canadian housing and home furnishing industries.

William H. Singer, 55, a founder of Singer, is the President and Chief Operating Officer of Strathearn. Since joining Dylex he has focused the major portion of his time on directing the operations of the Home Products Division of Dylex.

Cadillac

Cadillac is engaged in the manufacture of sub-assemblies and building components for house construction and the wholesale and retail distribution of lumber and building supplies and materials.

Cadillac was formed as a partnership in 1955 by William E. Glied and Michael Pesing for the purpose of carrying on the lumber brokerage business in Ontario. Since that time, Cadillac has expanded its operations into the other activities mentioned below. In March, 1969, Cadillac was acquired by and became an operating division of Dylex. William E. Glied and Michael Pesing will continue to be directly responsible for Cadillac's operations as part of Strathearn.

Cadillac's manufacturing plant, wholesale operation and retail outlet are located on a 20.2 acre site in Maple, Ontario. The site consists of 19.9 acres which Cadillac owns and 0.3 acres which it leases. In addition, Cadillac has made offers to purchase an additional 0.7 acres adjacent to this property.

Through Independent Lumber Dealers' Cooperative (an independent wholesale purchasing association), Cadillac purchases substantially all of its lumber from British Columbia, Ontario and Quebec, although some specialty woods are purchased from California and South America. The lumber is delivered to the plant site where it is sorted, cured and inventoried.

Cadillac sells a portion of the lumber as mill size lumber and lumber cut to specification, along with a full range of other building supplies and materials, to builders as part of its wholesale business.

The balance of the lumber enters into Cadillac's production process for manufacture into building components which include wall panels, trusses, stairways, pre-hung doors, parquet flooring and kitchen cabinets. The housing components built by Cadillac are similar to those which would be built on the construction site if traditional building techniques were used. Presently each housing component manufactured by Cadillac is custom designed for the builder from his plans and specifications. Cadillac intends to design and manufacture a standard line of housing components in order that builders may purchase such components from a variety of home designs illustrated by catalogue.

The manufacturing operation of Cadillac in Maple occupies 128,000 plant square feet. The plant is suitably located close to major transportation routes for the distribution of its products throughout Southern Ontario. In the past additional plant capacity has been built as required. Cadillac's site is adequate to allow future plant additions.

Cadillac applies modern production line techniques which allow semi-skilled plant employees to construct building components that would normally be constructed on the building site by skilled craftsmen. In general, the production equipment used in the plant has been custom designed and built to specifications for use by Cadillac. To ensure quality and efficiency of production, Cadillac retains consulting engineers who perform periodic "production audits" of its operations. Cadillac is currently operating with two shifts and employs a total work force of approximately 250. During the peak summer construction period, Cadillac employs an additional 100 employees to perform on-site installation of its manufactured housing components under the supervision of its permanent staff.

Cadillac's market for manufactured components comprises commercial builders primarily in the Metropolitan Toronto area but includes builders located as far away as Sudbury and Ottawa. Cadillac sells its manufactured products to most of the major construction firms in its market area. The ten largest customers of Cadillac account for approximately 35% of its sales.

Cadillac employs a 13-man sales staff supplemented by 7 technical representatives. Before a sale is finalized, Cadillac prepares detailed designs of the components requested by the builder which are then costed and priced. The price and delivery dates are agreed upon with the builder, the sale finalized and the manufacture of the custom design commenced. Cadillac stabilizes material costs through the purchase of lumber futures.

A technical representative is assigned to each order to expedite delivery and to supervise the manufacture and on-site installation of the component. The installation of the components at the construction site is performed by the builder or by Cadillac's employees, at the option of the builder. To make deliveries to sub-divisions where roads are not yet built, Cadillac designed and engineered 9 specialized delivery trucks for efficient on-site delivery.

Cadillac also operates a retail building materials outlet at its plant site offering a wide range of building supplies and materials. Cadillac is planning to enlarge its retail operations through the construction of an additional 10,000 square feet of retail space at the Maple site to be completed in the spring of 1973.

Cadillac is presently expanding through the addition of a plastic extrusion moulding line. The new facility will supply the building industry's increasing demand for plastic components.

Sales during the last five years and nine months ended October 28, 1972 are as follows:

	Nine months ended October 28, 1972	29, 1972	Year ended January 30, 1971	31, 1970	Year ended February 28, 1969	29, 1968
	\$	\$	\$	\$	\$	\$
	(thousands of dollars)					
Manufacturing and Installation	5,649	5,837	3,643	3,818	3,787	2,934
Yard lumber	4,360	3,588	3,483	4,827	3,394	3,069
Retail	588	525	336	228	—	—
Total	<u>10,597</u>	<u>9,950</u>	<u>7,462</u>	<u>8,873</u>	<u>7,181</u>	<u>6,003</u>

Singer

Singer is primarily engaged in the manufacture of medium-priced home furnishing accessories in an 80,000 square foot plant located at 201 Carlaw Avenue, Toronto, Ontario. These premises are subleased from Dylex at Dylex's cost and the present lease expires in 1997.

Singer was founded by Jerald L. Singer, William H. Singer and Richard I. Singer in 1934 and in 1964 was acquired by interests controlled by James F. Kay. On July 31, 1967 Singer was acquired by and became a division of Dylex.

Harold M. Vogel, 42, is a graduate in Commerce of the University of Toronto and will be Vice-President of Strathearn. Since joining Dylex in 1967 he has been manager of home furnishings products of Dylex.

In addition to manufacturing home lighting, including floor model and table lamps, Singer's product line includes occasional tables, wrought-iron furniture and wall accessories. Singer manufactures these items for inventory based on its own forecasts and analyses. Forecasts of 4 to 8 months are used to prepare purchasing and production schedules in order to insure efficient production runs and the manufacture of the desired product mix. Singer employs approximately 100 semi-skilled workmen in its manufacturing operations.

Design is a critical part of the business and Singer has its own design department with a full-time new product development manager and two full-time designers. Singer introduces product lines into the Canadian market on a continuing basis as less popular, older lines are retired.

Singer sells its product lines directly to major department store and lighting chains, independent furniture and lighting retailers, and electrical wholesalers through its 15-man sales force. No single customer accounts for more than 4% of Singer's annual sales volume. In addition, Singer has marketed its product lines through department store catalogues. Large contract sales have also been made to major hotels in Toronto, Montreal, Edmonton and Halifax. Catalogue and particularly contract sales, represent expansion opportunities which Singer intends to develop in the near future.

During the last five years and nine months ended October 28, 1972, Singer's sales have been:

	(000's)
12 months ended January 27, 1968	\$1,468
12 months ended February 1, 1969	1,736
12 months ended January 31, 1970	1,860
12 months ended January 30, 1971	1,651
12 months ended January 29, 1972	1,893
9 months ended October 28, 1972	1,718

Emanuel

Emanuel is one of the largest independent Canadian manufacturers of cabinets for television and stereo sets. Emanuel is located in a 150,000 square foot area in six adjacent buildings at 969 Weston Road, Toronto, Ontario. These premises are leased from associates of Sydney Gossin and Manuel F. Faith and the present lease expires in 1974, with a five year renewal option available.

Emanuel was founded in 1946 by Sydney Gossin and Manuel F. Faith to produce radio cabinets on a contract basis. Since that time, Emanuel has expanded its operations into the manufacture of television and stereo cabinets. In May, 1969, Dylex acquired Emanuel as an addition to its Modern Home Products Group. Sydney Gossin, 50, will continue to be directly responsible for the general administrative affairs of Emanuel, and Manuel Faith, 55, will continue to be responsible for the manufacturing operations of Emanuel as part of Strathearn.

Emanuel manufactures cabinetry to engineered specifications on a firm order basis for manufacturers of television and stereo equipment. Contracts are generally obtained on a negotiated basis. When Emanuel receives a cabinet design from a manufacturer, detailed blueprints of each cabinet are prepared, the production process is detailed and the unit is costed. A prototype is then built and tested by the buyer. When Emanuel's model is accepted, details of delivery are finalized.

Emanuel's manufacturing operation is divided into four separate production divisions producing: fancy wood veneers (produced by a wholly-owned subsidiary, Roti-Wood Products (Fergus) Limited), simulated-wood urethane mouldings and trim pieces, table top cabinetry, and consoles and floor model cabinetry, respectively. Emanuel employs 300 people in its manufacturing operation.

Sales are the responsibility of senior administrative and production management who deal directly with their customers. Emanuel's major customers are large manufacturers of television and stereo equipment. Five customers account for approximately 70% of sales.

During the last five years and nine months ended October 28, 1972, Emanuel's sales have been:

	(000's)
12 months ended January 27, 1968	\$3,598
12 months ended February 1, 1969	3,991
12 months ended January 31, 1970	5,213
12 months ended January 30, 1971	4,217
12 months ended January 29, 1972	4,646
9 months ended October 28, 1972	4,600

Troister

Troister manufactures medium priced upholstered furniture in a modern 40,000 square foot building on 57,000 square feet of land located at 105 Wingold Avenue, Toronto, Ontario. These premises are leased from a corporation controlled by the Estate of S. G. Troister and William W. Baltman and the present lease expires in 1984.

Troister commenced operations in 1946 as a partnership between S. G. Troister and William W. Baltman and in December, 1969 was acquired by Dylex as an addition to its Modern Home Products Group. William W. Baltman, 49, President of Troister, is the chief operating officer of Troister and directly responsible for its operations.

Troister manufactures upholstered furniture based on orders received from its sales force. As a matter of policy, Troister does not maintain a finished goods inventory in anticipation of sales. As orders are received, daily production schedules are prepared to ensure efficient production runs and the orderly procurement of raw materials. Troister employs approximately 90 people in its manufacturing operation.

Troister's product line emphasizes contemporary, traditional and colonial upholstered furniture. These and other styles are sold across Canada by Troister's own salesmen and through manufacturers' agents. Troister sells to a wide selection of independent and chain furniture retailers and department stores and no single customer accounts for more than 10% of Troister's annual sales volume.

During the last five years and nine months ended October 28, 1972, Troister's sales have been:

	(000's)
12 months ended January 27, 1968	\$2,023
12 months ended February 1, 1969	2,212
12 months ended January 31, 1970	2,490
12 months ended January 30, 1971	2,043
12 months ended January 29, 1972	2,350
9 months ended October 28, 1972	2,482

Ackripak

Ackripak manufactures rigid plastic containers, using an injection moulding process, in a modern brick building of 74,748 square feet on 2½ acres of land located at 260 Rexdale Boulevard, Rexdale, Ontario. These premises are leased and the present lease expires in 1987.

The business commenced in the 1920's when The French Ivory Products, Limited (French Ivory) began manufacturing specialty products by an injection process in cellulose acetate. By the 1950's, French Ivory was producing and distributing polystyrene container lines used for packaging pharmaceutical products. In July, 1967 Dylex acquired French Ivory along with Plasti-Pak Containers Limited (the marketing outlet for French Ivory) and Akron Plastics Limited, a company producing plastic film and plastic garbage bags. In February, 1970 Dylex consolidated its plastics group and combined the assets of the above companies to form the new company, Ackripak Limited. In late 1971, the plastic film and garbage bag operation was sold. Alexander R. Stewart, 57, manager for Ackripak, is responsible for its sales and marketing operations. Mr. Stewart holds a B.Sc. in chemical engineering from the University of Toronto and prior to joining Dylex in 1967 held positions in research, sales and plant management.

Ackripak's manufacturing operation consists of two production units. The first is engaged in the production of plastic packaging or containers of the required size and color. The second line is engaged in labelling the packaging according to customer specifications or end use requirements. Ackripak employs approximately 90 workers in its manufacturing operation.

Ackripak intends to enter into an equipment lease of certain items of production machinery with Dylex Acceptance Limited, a wholly-owned subsidiary of Dylex, on competitive terms and rates. The terms of the lease and the effective rental rate will be based upon quotations received from independent national leasing companies.

Ackripak markets its containers principally to food processors and fast food retailers through its own sales force and a number of distributor agents.

During the last five years and nine months ended October 28, 1972, Ackripak's sales have been:

	<u>All Divisions</u> (000's)	<u>Continuing Divisions</u> (000's)
12 months ended January 27, 1968	\$2,357	\$1,376
12 months ended February 1, 1969	2,881	1,314
12 months ended January 31, 1970	3,415	1,506
12 months ended January 30, 1971	3,875	2,030
12 months ended January 29, 1972	3,582	2,299
9 months ended October 28, 1972	2,395	2,395

MANAGEMENT

Directors and Officers

The names in full and home addresses of the directors and officers of Strathearn, the offices held by them in Strathearn and their principal occupations within the five preceding years are as follows:

<u>Name and Address</u>	<u>Office</u>	<u>Principal Occupation within the Five Preceding Years</u>
Wilfred Posluns 63 The Bridle Path Don Mills, Ontario	Chairman of the Board and Director	Secretary and Treasurer, Dylex Limited
William Henry Singer 52 Fifeshire Road Willowdale, Ontario	President and Director	Executive Officer, Modern Home Products Group, Dylex Limited
James Fredrick Kay 33 Strathearn Road Toronto, Ontario	Secretary, Treasurer and Director	President, Dylex Limited
Jack Israel Posluns 23 Park Lane Circle Don Mills, Ontario	Director	Executive Vice-President, Dylex Limited
Irving Albert Posluns Apartment 2801, 7 Jackes Avenue Toronto, Ontario	Director	Executive Vice-President, Dylex Limited
William Eliezer Glied 162 Sandringham Drive Toronto, Ontario	Vice-President and Director	Chief Operating Officer, Cadillac Building Products Company, Division of Dylex Limited
Schuyler Mitchell Sigel 18 Delavan Avenue Toronto, Ontario	Director	Partner, Messrs. Stitt, Baker & McKenzie, Solicitors

<u>Name and Address</u>	<u>Office</u>	<u>Principal Occupation within the Five Preceding Years</u>
Arthur Harvey Zaldin, Q.C. 32 Heathdale Road Toronto, Ontario	Director	Senior Partner, Messrs. Zaldin and Fine Solicitors
Sydney Gossin 28 Stormont Avenue Toronto, Ontario	Vice-President	Chief Operating Officer, Emanuel Products Limited, Subsidiary of Dylex Limited
Manuel William Faith 43 Shallmar Boulevard Toronto, Ontario	Vice-President	Chief Engineering Officer, Emanuel Products Limited, Subsidiary of Dylex Limited
Harold Martin Vogel 10 Erica Avenue Downsview, Ontario	Vice-President	Manager, Singer Lighting Division, Dylex Limited
William Wolf Baltman 12 Alonzo Road Willowdale, Ontario	Vice-President	President, Troister & Company Ltd., Subsidiary of Dylex Limited

Remuneration of the Directors and Senior Officers

The aggregate remuneration paid by the Home Products Division of Dylex, directly or indirectly, to the individuals who are directors and senior officers of Strathearn for the 12 months ended January 29, 1972 was \$269,000 and, similarly, for the 11 months ended December 31, 1972, was \$240,000. The estimated cost of all pension benefits proposed to be paid to the directors and senior officers, directly or indirectly, was \$5,188 for the 12 months ended January 29, 1972.

No aggregate remuneration was paid by Strathearn, directly or indirectly, to its previous directors and senior officers for the 12 months ended January 29, 1972, and, similarly, no remuneration was paid for the 11 months ended December 31, 1972.

In addition, Dylex provided certain management services to the Home Products Division for which it charged a fee which represented the allocation of general administrative costs over the various operations of the Division. Dylex intends to continue to provide management services to Strathearn and will charge a fee estimated to be \$140,000 for the year ending February 2, 1974. It is expected that Strathearn will not require such services in the following year.

Interest of Management and Others in Material Transactions

(1) Inspiration Lumber Limited, an associate of William E. Glied, a director of Strathearn, holds a note payable by Strathearn for \$648,017 as at November 25, 1972. Reference is made to Note 7 of Notes to Combined and Consolidated Financial Statements on page 24 for the particulars of the note payable by Strathearn to Inspiration Lumber Limited.

(2) Singer subleases its premises at 201 Carlaw Avenue, Toronto, Ontario, from Dylex. Reference is made to the subheading Singer on page 9.

(3) Emanuel leases its premises at 969 Weston Road, Toronto, Ontario, from associates of Sydney Gossin and Manuel F. Faith. Sydney Gossin and Manuel F. Faith are Vice-Presidents of Strathearn. Reference is made to the subheading Emanuel on page 10.

(4) Troister leases its premises at 105 Wingold Avenue, Toronto, Ontario, from a corporation controlled by the Estate of S. G. Troister and William W. Baltman. William W. Baltman is a Vice-President of Strathearn. Reference is made to the subheading Troister on page 11.

(5) Schuyler M. Sigel, a director of Strathearn, is a partner of Messrs. Stitt, Baker & McKenzie who act as solicitors for Strathearn and Dylex and who are acting on behalf of Strathearn in connection with the offering made by this prospectus.

CONSOLIDATED CAPITALIZATION

Designation of Securities	Authorized (6)	Outstanding as at October 28, 1972 (1)	Outstanding as at November 25, 1972 (1)	Outstanding on Completion of this Financing (1)
		\$	\$	\$
Bank indebtedness				
—secured (2)		2,929,398	2,605,000	6,036,785
Note payable (3)		650,607	648,017	650,607
Due to Dylex (4)		11,223,358	11,223,358	—
Note payable to Dylex (5)		—	—	3,900,000
Capital Stock: (6)				
Class A Shares without par value	5,000,000	—	—	4,938,496 (2,469,248 shs)
Class B Shares without par value	1,000,000	100 (100 shs)	100 (100 shs)	887,170 (443,635 shs)
Common Shares without par value	100	—	—	—

NOTES:

- (1) On February 5, 1973, Strathearn acquired the shares of several subsidiaries of Dylex. See Transfer of Home Products Division to Strathearn on page 7. The amounts shown in this table represent those that would exist had the transaction been completed on the respective dates.
- (2) Bank indebtedness is secured by a general assignment of book debts and inventories. Strathearn has a line of credit of \$7,000,000 with a Canadian Chartered Bank.
- (3) The Note payable is at 8% per annum due 1979 and is secured by a mortgage on the fixed assets of Cadillac.
- (4) Reference is made to Note 5 of Notes to Combined and Consolidated Financial Statements on page 24 for the details of the amount Due to Dylex.
- (5) Reference is made to Note 2(h) of Notes to Combined and Consolidated Financial Statements on page 23 for the details of the Note payable to Dylex.
- (6) Gives effect to the changes in authorized and issued capital effective December 21, 1972 as described in Note 2(a) of Notes to Combined and Consolidated Financial Statements on page 22.
- (7) See Note 8 of Notes to Combined and Consolidated Financial Statements on page 24 with respect to amounts due under leases.

SHARES OF STRATHEARN

The authorized capital of Strathearn consists of 5,000,000 Class A Shares without par value (Class A Shares), 1,000,000 Class B Shares without par value (Class B Shares) and 100 Common Shares without par value (Common Shares). The only issued and outstanding shares of Strathearn presently consist of 100 Class B Shares owned by Dylex.

The Class A Shares, Class B Shares and Common Shares of Strathearn are participating shares, rank equally in respect of dividends, as and when declared by the board of directors, and rank equally in the event of liquidation, dissolution or winding-up of Strathearn or other distribution of assets to shareholders. No pre-emptive rights nor redemption rights are attached to any of the shares of Strathearn nor may any of the shares of Strathearn be purchased for cancellation.

The holders of the Class A Shares do not have any conversion rights and do not have any right to vote at any meetings of the shareholders of Strathearn. The holders of the Class A Shares have the right to attend meetings of the shareholders of Strathearn called for the purpose of authorizing the dissolution of Strathearn or the sale of its undertaking or a substantial part thereof.

The holders of the Class B Shares are entitled to one vote per share at all meetings of shareholders. The Class B Shares may be converted into Class A Shares on a share for share basis.

The holders of any issued Common Shares would be entitled to one vote per share at all meetings of shareholders.

The Class A Shares and Class B Shares offered by this prospectus will be, when issued, fully paid and non-assessable.

DIVIDEND RECORD AND POLICY

Strathearn has not paid dividends on its outstanding shares except for dividends of \$4,000 paid in 1968, \$13,000 paid in 1972 and \$18,000 paid in January 1973 and except for dividends to be paid to Dylex (as referred to in Note 2(c) of the Notes to the Combined and Consolidated Financial Statements on page 23) out of net earnings of the Home Products Division to February 3, 1973 acquired by Strathearn as referred to under the heading Transfer of Home Products Division to Strathearn on page 7.

It is expected that Strathearn will hereafter retain a substantial portion of its future earnings for the expansion of its business activities. The payment of dividends will be determined by the board of directors of Strathearn on the basis of earnings, financial requirements and other relevant factors.

PRINCIPAL SHAREHOLDERS

The following table sets forth the names and addresses of persons who, upon the exercise of Rights, will own, directly or indirectly, of record or beneficially, more than 10% of the issued Class A Shares and Class B Shares of Strathearn.

<u>Name and Address</u>	<u>Rights to Class A Shares to be Owned Beneficially and of Record</u>	<u>Percentage of Class A Shares to be Outstanding</u>	<u>Rights to Class B Shares to be Owned Beneficially and of Record</u>	<u>Percentage of Class B Shares to be Outstanding</u>
James Fredrick Kay 33 Strathearn Road Toronto, Ontario	703,718	14.3	253,894	28.4
Wilfred Posluns 63 The Bridle Path Don Mills, Ontario	152,754	3.1	111,214	12.5
Irving Albert Posluns Apartment 2801, 7 Jackes Avenue Toronto, Ontario	150,748	3.1	111,212	12.5
Jack Israel Posluns 23 Park Lane Circle Don Mills, Ontario	152,742	3.1	111,210	12.5

The above holders of Rights have agreed with the Underwriter that on or before February 12, 1973, they will exercise their Rights to subscribe for shares of Strathearn. In addition they have agreed not to sell, dispose of or otherwise deal in, directly or indirectly, any shares of Strathearn for a period of six months from the date of this prospectus without the prior written consent of the Underwriter.

The number and percentage of Class A Shares of Strathearn to be beneficially owned, directly or indirectly, by the directors and senior officers of Strathearn as a group is 803,200 Class A Shares representing approximately 33% of the Class A Shares to be outstanding.

The number and percentage of Class B Shares of Strathearn to be beneficially owned, directly or indirectly, by the directors and senior officers of Strathearn as a group is 294,772 Class B Shares representing approximately 66% of the Class B Shares to be outstanding.

PROMOTER

Dylex is the promoter of Strathearn within the meaning of applicable securities legislation. For particulars of the organization of Strathearn by Dylex reference is made to the heading Transfer of Home Products Division to Strathearn on page 7.

MATERIAL CONTRACTS

Particulars regarding material contracts entered into by Strathearn within the two years preceding the date hereof, other than contracts in the normal course of business, are as follows:

- (1) The agreements dated as of January 29, 1973 whereby Strathearn acquired the companies referred to under the heading Transfer of Home Products Division to Strathearn on page 7.
- (2) The agreement dated February 6, 1973 between Dylex and Strathearn relating to the offering of the Rights to the shareholders of Dylex to subscribe for Class A Shares and Class B Shares of Strathearn.
- (3) The Underwriting Agreement dated February 6, 1973 between Richardson Securities of Canada, as Underwriter, Strathearn and Dylex referred to under the heading Plan of Distribution on page 5.

Copies of the foregoing agreements may be inspected at the offices of Strathearn's solicitors, Messrs. Stitt, Baker & McKenzie, 55 Yonge Street, Toronto, Ontario during normal business hours while the shares offered by this prospectus are in the course of distribution to the public and for a period of 30 days thereafter.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Strathearn are Wm. Eisenberg & Co., Chartered Accountants, 45 St. Clair Avenue West, Toronto, Ontario.

The transfer agent and registrar for the shares of Strathearn is National Trust Company, Limited at its principal offices in Vancouver, Calgary, Winnipeg, Toronto and Montreal and through its agent, Canada Permanent Trust Company, in Regina.

AUDITORS' REPORT

To the Directors of
Strathearn House Group Limited.

We have examined the combined and consolidated balance sheet of Strathearn House Group Limited as at January 29, 1972, and the combined and consolidated statements of earnings and retained earnings for the five years then ended. Our examination of the financial statements of the Company and those subsidiaries and divisions of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries and divisions.

In our opinion:

- (a) the accompanying combined and consolidated balance sheet presents fairly the financial position of the companies and divisions as at January 29, 1972; and
- (b) the accompanying combined and consolidated statement of earnings and retained earnings present fairly the results of their operations for the five years ended January 29, 1972;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada,
February 6, 1973

Wm. Eisenberg & Co.
Chartered Accountants.

ASSETS

	Combined and Consolidated		Pro Forma Consolidated
	January 29, 1972	October 28, 1972	October 28, 1972
		(unaudited)	(unaudited) (Note 2)
CURRENT			
Accounts receivable (net of allowance for doubtful accounts)	\$ 4,603,221	\$ 7,498,038	\$ 7,498,038
Inventory — at lower of cost and net realizable value	3,662,831	5,065,417	5,065,417
Sundry loans receivable	4,259	3,881	3,881
Prepaid expenses and deposits	87,520	235,810	235,810
Prefab homes in progress	73,706	—	—
Income taxes refundable	7,457	—	—
	8,438,994	12,803,146	12,803,146
MORTGAGES RECEIVABLE	—	41,431	41,431
FIXED			
Land	99,389	99,389	99,389
Building	586,875	622,180	622,180
Railway siding	10,647	10,647	10,647
Plant and equipment	2,814,173	2,982,528	2,982,528
Furniture and equipment	92,770	89,273	89,273
Automotive	368,640	474,795	474,795
Tools, moulds and sign	168,004	210,111	210,111
Leasehold improvements	128,958	136,478	136,478
Total fixed assets — at cost	4,269,456	4,625,401	4,625,401
Less: Accumulated depreciation	1,770,494	2,019,182	2,019,182
	2,498,962	2,606,219	2,606,219
OTHER			
Excess of cost over book value of subsidiaries and businesses acquired (Notes 1 and 5)	3,496,158	3,496,158	3,496,158
Goodwill — at cost to subsidiaries	171,308	171,308	171,308
Deferred charges unamortized	108,334	68,958	68,958
Financing costs capitalized	—	—	50,000
	3,775,800	3,736,424	3,786,424
	\$14,713,756	\$19,187,220	\$19,237,220

Approved on behalf of the Board:

J. F. Kay, Director

Wilfred Posluns, Director

GROUP LIMITED

Consolidated Balance Sheets (Note 1)

LIABILITIES

	Combined and Consolidated		Pro Forma Consolidated
	January 29, 1972	October 28, 1972	October 28, 1972
CURRENT		(unaudited)	(unaudited) (Note 2)
Bank indebtedness — secured _____	\$ 343,714	\$ 2,929,398	\$6,036,785
Accounts payable and accrued charges _____	2,151,195	2,234,677	2,234,677
Income taxes payable _____	13,291	415,561	415,561
Current portion of long term debt (Note 7) _____	63,357	65,119	65,119
	<u>2,571,557</u>	<u>5,644,755</u>	<u>8,752,142</u>
LONG TERM			
Note and leases payable (Note 7) _____	739,416	712,847	712,847
Due to Dylex Limited (Note 5) _____	10,272,082	11,223,358	3,900,000
	<u>11,011,498</u>	<u>11,936,205</u>	<u>4,612,847</u>
DEFERRED INCOME TAXES _____	<u>46,565</u>	<u>46,565</u>	<u>46,565</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 4)

Issued			
2,469,248 Class A Shares _____	—	—	4,938,496
443,635 Class B Shares _____	—	—	887,170
100 Common Shares _____	100	100	—
	<u>100</u>	<u>100</u>	<u>5,825,666</u>
RETAINED EARNINGS OF SUBSIDIARIES (Note 5) _____	1,084,036	1,559,595	—
	<u>1,084,136</u>	<u>1,559,695</u>	<u>5,825,666</u>
	<u>\$14,713,756</u>	<u>\$19,187,220</u>	<u>\$19,237,220</u>

STRATHEARN HOUSE GROUP LIMITED

Combined and Consolidated Statement of Retained Earnings of Subsidiaries (Note 1)

For the Five Years and Nine Months Ended October 28, 1972

	Nine Months					January 31, 1970	February 1, 1969	January 27, 1968
	October 28, 1972	October 31, 1971	January 29, 1972	January 30, 1971	January 31, 1970			
	(unaudited)	(unaudited)						
Balance at the beginning of the period	\$1,084,036	\$1,351,696	\$1,510,542	\$1,351,696	\$1,035,887	\$ 837,112	\$ 928,098	
Net earnings for the period before adjustments	1,854,057	239,623	394,686	301,699	1,314,140	490,809	283,186	
Earnings of divisions after their acquisition by Dylex Limited (Note 5)	(878,498)	(166,470)	(321,179)	(142,853)	(998,331)	(73,940)	(27,190)	
Earnings of divisions prior to their acquisition by Dylex Limited transferred to Share Capital (Note 5)	—	—	—	—	—	(68,161)	(340,577)	
Withdrawals of divisions prior to acquisition by Dylex Limited (Note 1)	—	—	—	—	—	(109,933)	(6,405)	
Dividends paid by subsidiaries	—	—	(500,013)	—	—	(40,000)	—	
Balance at the end of the period	\$1,559,595	\$1,424,849	\$1,084,036	\$1,510,542	\$1,351,696	\$1,035,887	\$ 837,112	

STRATHEARN HOUSE GROUP LIMITED

Combined and Consolidated Statement of Earnings (Note 1) and Adjusted Earnings (Note 3)

For the Five Years and Nine Months Ended October 28, 1972

Nine Months

	October 28, 1972 (unaudited)	October 31, 1971 (unaudited)	January 29, 1972	January 30, 1971	January 31, 1970	February 1, 1969	January 27, 1968
SALES	\$21,791,809	\$16,745,003	\$22,420,810	\$19,248,184	\$21,850,771	\$18,001,308	\$15,448,634
EARNINGS FROM OPERATIONS BEFORE THE FOLLOWING CHARGES							
(Note 3c)	2,543,871	921,173	1,297,108	1,236,411	2,298,945	1,196,966	854,048
Depreciation (Note 3a)	286,654	286,313	384,540	315,646	288,545	343,900	383,530
Dylex Limited (Note 3b)							
— Management fees	108,430	166,820	223,932	192,471	180,785	101,592	—
— Interest	316,244	143,871	215,310	204,268	125,642	3,250	—
Interest on long term debt	7,405	7,738	18,474	14,719	29,720	132,030	105,726
Income taxes (Note 3e)	471,081	76,808	60,166	207,608	360,113	125,385	81,606
NET EARNINGS FOR THE PERIOD BEFORE ADJUSTMENTS	1,354,057	239,623	394,686	301,699	1,314,140	490,809	283,186
ADJUSTMENTS (Note 3)							
Depreciation (Note 3a)	—	—	—	—	4,889	67,488	127,926
Management fees (Note 3b)	—	83,410	111,966	96,236	90,392	50,796	—
Management salaries (Note 3c)	—	—	—	40,000	35,000	72,332	87,557
Losses on discontinued division (Note 3d)	—	133,794	137,642	239,440	20,166	6,902	46,238
Income taxes (Note 3e)	(426,072)	(199,827)	(296,592)	(265,070)	(614,620)	(309,212)	(244,917)
ADJUSTED NET EARNINGS FOR THE PERIOD	\$ 927,985	\$ 257,000	\$ 347,702	\$ 412,305	\$ 849,967	\$ 379,115	\$ 299,990
EARNINGS PER SHARE (Note 9)	\$0.32	\$0.09	\$0.12	\$0.14	\$0.29	\$0.13	\$0.10

STRATHEARN HOUSE GROUP LIMITED
Notes to the Combined and Consolidated Financial Statements
(Information Referred to as at October 28, 1972 is Unaudited)

1. PRINCIPLES OF COMBINATION AND CONSOLIDATION

On February 5, 1973, Strathearn House Group Limited acquired shares and indebtedness to Dylex Limited of subsidiaries of Dylex Limited, including newly incorporated subsidiaries which had previously acquired the businesses and net assets of divisions of Dylex Limited, at a price equal to the cost to Dylex Limited, as shown in the following schedule:

Subsidiaries	Date of Acquisition by Dylex Limited
Ackripak Limited (note 3d) _____	July 31, 1967
Emanuel Products Limited and its subsidiary Roti-Wood Products (Fergus) Limited ____	May 31, 1969
Troister & Company Limited _____	November 30, 1969
 Divisions (transferred to newly incorporated subsidiaries)	
Singer Lighting Company — division _____	July 31, 1967
Cadillac Building Products Company — division _____	March 1, 1969

The attached combined and consolidated balance sheets reflect the acquisition by Strathearn House Group Limited of the above subsidiaries and divisions of Dylex Limited on the basis of "purchase accounting," which includes the excess of cost over book value paid by Dylex Limited at their date of acquisition. It is not the intention of the Company to amortize this excess of cost over book value unless its value is impaired.

The attached combined and consolidated statements of earnings and retained earnings include the accounts of the above subsidiaries and divisions of Dylex Limited acquired by Strathearn House Group Limited for the five years and nine months to October 28, 1972. Intercompany transactions have been eliminated.

A number of the subsidiaries and divisions had different fiscal year ends in 1968 and 1969. To make proper comparison and a more accurate presentation, their earnings have been pro-rated, where applicable, on a monthly basis to the end of January in each of the five years.

The combined and consolidated financial statements do not include the earnings and retained earnings of Hareve Leasehold Investments Limited (now Strathearn House Group Limited, Note 2(a) (i)) since such earnings have been or will be distributed by way of dividends, are not material and are not of the same nature as the operations of the company that will commence upon the completion of the pro forma transactions described in Note 2. The earnings of Hareve Leasehold Investments Limited were as follows for the fiscal years ended:

January 27, 1968 _____	\$3,689
February 1, 1969 _____	2,867
January 31, 1970 _____	4,000
January 30, 1971 _____	4,340
January 29, 1972 _____	1,733
October 28, 1972 (nine months) _____	1,328

2. PRO FORMA CONSOLIDATED BALANCE SHEET

The pro forma consolidated balance sheet gives effect to the following transactions as if they had occurred on October 28, 1972:

- (a) The reorganization by articles of amendment dated December 21, 1972 to give effect to the following:
- (i) the change of name from Hareve Leasehold Investments Limited to Strathearn House Group Limited;
 - (ii) the removal of restrictions on the transfer of shares (to convert to a public company);
 - (iii) the cancellation of the 10,800 authorized and unissued preference shares (Classes A, B, & C) and the cancellation of 3,800 authorized and unissued Common Shares;
 - (iv) the creation of 5,000,000 Class A Shares without par value, which are non-voting;
 - (v) the creation of 999,900 Class B Shares, each convertible into a Class A Share at the holder's option;
- and

(vi) the change of the 100 issued Common Shares into 100 Class B Shares.

- (b) The acquisition by Strathearn House Group Limited of the subsidiaries and divisions referred to in Note 1 from Dylex Limited at its cost (as described in Note 5).
- (c) The dividends of \$435,234 representing consolidated retained earnings of subsidiaries to October 28, 1972 since their acquisition by Dylex Limited and retained earnings of \$1,124,361 of subsidiaries prior to their acquisition by Dylex Limited being added to Due to Dylex Limited (Note 5). The amount of \$435,234 will be adjusted by the operations from October 28, 1972 to the close of business on February 3, 1973 so that all retained earnings since acquisition by Dylex Limited, as to be confirmed by audit, as of February 3, 1973 will be distributed to Dylex Limited.
- (d) The issue and sale of 2,469,248 Class A Shares and 443,535 Class B Shares for an aggregate consideration of \$5,825,566 (before deducting underwriting commission or fee of \$90,000 minimum and \$468,372 maximum).
- (e) The payment of financing expenses estimated at \$50,000.
- (f) The increase in bank indebtedness of \$3,057,387.
- (g) The payment to Dylex Limited of \$7,323,358.
- (h) The creation of an unsecured note payable to Dylex Limited for the \$3,900,000 balance owing repayable in equal monthly installments for ten years based on a 15 year amortization, with interest at 7% per annum prepayable in whole or in part at any time without notice or bonus, and the balance due at the end of the tenth year.

3. ADJUSTMENTS TO COMBINED AND CONSOLIDATED NET EARNINGS FOR THE PERIOD

(a) Depreciation

The straight-line method of depreciation has been used writing off the fixed assets over their estimated useful life at the following rates:

	%
Building _____	2½
Equipment and leasehold improvement _____	10
Automotive _____	25
Tools, dies and moulds _____	33½

Depreciation charges for 1968, 1969 and 1970 have been adjusted to this basis.

(b) Dylex Limited Charges

Management fees paid to Dylex Limited have been restated from the historic basis to an estimated current basis of \$140,000 per annum to reflect rates to be charged to February 2, 1974.

Interest paid to Dylex Limited has been included at historic rates for the five years ended January 29, 1972. For the 9 months ended October 28, 1972, Dylex Limited has charged interest at 7% (previously the effective rate paid by Dylex Limited was approximately 4% on all corporate borrowings) to reflect rates of charge to February 3, 1973.

(c) Management Salaries

Management salaries have been restated from the historic basis to the current basis.

(d) Losses on Discontinued Division

Ackron Plastics Limited was acquired in July, 1967, and was amalgamated with Plastipak Containers Limited (acquired July 1, 1967) in February, 1970 to form Ackripak Limited. The Ackron Plastics division was then sold in the year ended January 29, 1972.

(e) Income Taxes

Income taxes have been recalculated from the historic basis on subsidiary earnings (excluding division earnings) to reflect a provision for taxes payable on earnings of subsidiaries and divisions after the adjustments above, as if corporate taxes had been exigible for each of the periods shown.

4. CAPITAL STOCK — AUTHORIZED

January 29, 1972 and October 28, 1972

2,800 Class A preference shares, par value \$10 each
4,000 Class B preference shares, par value \$1 each
4,000 Class C preference shares, par value \$1 each
4,000 Common Shares without par value

Pro-Forma, October 28, 1972 (Note 2)

5,000,000 Class A Shares fully participating without par value.
1,000,000 Class B Shares fully participating without par value, each convertible into a Class A Share at the holder's option.
100 Common Shares without par value.

5. DUE TO DYLEX LIMITED (Note 1)

	January 29, 1972	October 28, 1972
Divisions		
Advances (net of withdrawals) since acquisition	\$ 2,971,163	\$ 3,041,550
Earnings after acquisition	1,563,493	2,441,991
	<u>4,534,656</u>	<u>5,483,541</u>
Subsidiaries		
Advances (net of withdrawals) since acquisition	1,825,242	1,827,633
	<u>6,359,898</u>	<u>7,311,174</u>
Purchase Price from Dylex Limited		
Excess of cost over book value of subsidiaries and divisions	3,496,158	3,496,158
Capital of divisions	408,738	408,738
Capital stock of subsidiaries	7,288	7,288
Retained earnings of subsidiaries (see below)	1,124,361	1,124,361
	<u>5,036,545</u>	<u>5,036,545</u>
	<u>\$11,396,443</u>	<u>\$12,347,719</u>
Less—retained earnings of subsidiaries at date of acquisition by Dylex Limited (see above) included in combined and consolidated retained earnings of subsidiaries	(1,124,361)	(1,124,361)
	<u>\$10,272,082</u>	<u>\$11,223,358</u>

6. EMANUEL PRODUCTS LIMITED

(and its subsidiary Roti-Wood Products (Fergus) Limited)

A member of the family of one of the partners of Wm. Eisenberg & Co., Chartered Accountants, had an interest in this company prior to its acquisition by Dylex Limited on May 31, 1969 (Note 1). The net profits after taxes included in the attached net earnings for the period prior to acquisition are as follows:

1968	\$108,000
1969	152,000
1970 (for the four months ended May 31, 1969)	50,000

7. NOTE AND LEASES PAYABLE

	January 29, 1972	October 28, 1972
Note Payable		
The note payable to Inspiration Lumber Limited at 8% per annum, due in 1979, is secured by a mortgage on the fixed assets of Cadillac Building Products Co. Ltd.	\$673,152	\$650,607
Leases Payable		
Certain long term leases not exceeding 5 years which contain options to purchase fixed assets for \$1, have been capitalized and the corresponding liability recorded in the accounts	129,621	127,359
	<u>\$802,773</u>	<u>\$777,966</u>
LESS: Current portion	63,357	65,119
	<u>\$739,416</u>	<u>\$712,847</u>

8. LEASE COMMITMENTS

The aggregate amount of rentals incurred for the year ended January 29, 1972 was \$350,000. The aggregate minimum rentals payable during the five years commencing January 30, 1972 will be \$1,300,000.

9. EARNINGS PER SHARE

Earnings per share are based upon the new share structure as though it had existed from the beginning of the period (2,912,883 Class A Shares and Class B Shares).

CERTIFICATES

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), under the Securities Act (Quebec), by Part VII of The Securities Act (Ontario) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: February 6, 1973

Wilfred Posluns
Chief Executive Officer

J. F. Kay
Chief Financial Officer

On behalf of the Board of Directors by:

Wm. H. Singer
Director

W. E. Glied
Director

PROMOTER

Dylex Limited

by: J. F. Kay

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), under the Securities Act (Quebec), by Part VII of The Securities Act (Ontario) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: February 6, 1973

RICHARDSON SECURITIES OF CANADA

By: Howard Ridgway Bennett

The following is the name of the only person having an interest, either directly or indirectly, to the extent of not less than 5% of the capital of Richardson Securities of Canada: George T. Richardson.

Ackripak Limited ("Ackripak") was incorporated under the laws of the Province of Ontario by Letters Patent of Amalgamation dated February 2, 1970. The authorized capital of Ackripak is divided into 10,000 Class A preference shares with a par value of \$1.00 each, none of which said Class A preference shares has been issued; 17,508 Class B preference shares with a par value of \$1.00 each, none of which said Class B preference shares has been issued; and 50,000 common shares without par value, of which 104 of said common shares have been issued and are outstanding. The aggregate consideration for the issuance of the common shares shall not exceed \$50,000.00.

10. FUNDED DEBT

Particulars of the long-term debt of the Corporation and its subsidiaries are shown under the heading "Consolidated Capitalization" on page 14 of the Prospectus.

11. OPTIONS, UNDERWRITINGS, ETC.

There are not presently any outstanding options, underwritings, sale agreements or other contracts or agreements of a like nature with respect to any issued or unissued shares held for the benefit of the Corporation, save for the right of the holders of issued and outstanding Class B shares to convert such shares, at their option, into Class A shares of the Corporation on a share for share basis. The Corporation was a party to an agreement dated February 5, 1973, between Dylex Limited and the Corporation relating to the offering of rights to the shareholders of Dylex Limited to subscribe for Class A shares and Class B shares of the Corporation, which agreement has been performed, referred to under the heading "Details of Offering" on pages 3 and 4 of the Prospectus. The only underwriting agreement to which the Corporation has been a party, namely the Underwriting Agreement referred to under the heading "Plan of Distribution" on page 5 of the Prospectus, has been performed.

12. LISTING ON OTHER STOCK EXCHANGES

Concurrently with this application, a similar application has been made to The Montreal Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

The Prospectus was filed and receipts issued as follows:

British Columbia Securities Commission on February 7, 1973.

Alberta Securities Commission on February 7, 1973.

Saskatchewan Securities Commission on February 7, 1973

Manitoba Securities Commission on February 8, 1973.

Ontario Securities Commission on February 7, 1973.

Quebec Securities Commission on February 8, 1973.

Administrator of the Securities Act, New Brunswick, on February 8, 1973.

Registrar of the Securities Act, Nova Scotia, on February 7, 1973.

Minister of Justice of Newfoundland on February 7, 1973.

Registrar of the Securities Act, Prince Edward Island, on February 7, 1973.

14. FISCAL YEAR

The fiscal year of the Corporation ends on the Saturday closest to January 31 in each year.

15. ANNUAL MEETINGS

The by-laws of the Corporation provide that the annual meeting of the Corporation shall be held at any place within Ontario or at any one or more places outside Ontario specified in the articles of the Corporation on such day in each year and at such time as the Directors may by resolution determine. The last annual meeting of the Corporation was held as a private company on May 31, 1972.

16. HEAD AND OTHER OFFICES

The head and principal office of the Corporation is located at 637 Lakeshore Boulevard West, Toronto, Ontario.

Cadillac Building Products Co. Limited has its offices at 10155 Keele Street, Maple, Ontario.

Singer Lighting Co. Ltd. has its offices at 201 Carlaw Avenue, Toronto, Ontario.

Emanuel Products Limited has its offices at 969 Weston Road, Toronto, Ontario.

Troister & Company Limited has its offices at 105 Wingold Avenue, Toronto, Ontario.

Ackripak Limited has its offices at 260 Rexdale Boulevard, Rexdale, Ontario.

17. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A shares of the Corporation is National Trust Company, Limited at its principal offices in Vancouver, Calgary, Winnipeg, Toronto and Montreal, and through its agent, Canada Permanent Trust Company, in Regina.

18. TRANSFER FEE

No fee is charged on the transfer of the Class A shares of the Corporation other than applicable government stock transfer taxes.

19. AUDITORS

The auditors of the Corporation are Wm. Eisenberg & Co., Chartered Accountants, 45 St. Clair Avenue West, Toronto, Ontario.

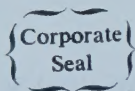
20. OFFICERS

The present directors and officers of the Corporation are W. Posluns, W. H. Singer, J. F. Kay, J. I. Posluns, I. A. Posluns, W. E. Glied, S. M. Sigel, A. H. Zaldin, S. Gossin, M. W. Faith, H. M. Vogel and W. W. Baltman. For particulars of full name, office held, present occupation and home address see Prospectus heading "Directors and Officers" on pages 12 and 13.

CERTIFICATE OF THE CORPORATION

Pursuant to a resolution duly passed by its Board of Directors, Strathearn House Group Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

STRATHEARN HOUSE GROUP LIMITED



"WILFRED POSLUNS",
Chairman of the Board

"J. F. KAY",
Secretary, Treasurer

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

RICHARDSON SECURITIES OF CANADA

By: "H. R. BENNETT"

DISTRIBUTION OF CLASS A SHARES OF STOCK AS OF MARCH 20, 1973

<u>Number</u>		<u>Shares</u>
70	..... Holders of 1 — 24 share lots	976
191	..... " " 25 — 99 " "	8,761
242	..... " " 100 — 199 " "	26,401
93	..... " " 200 — 299 " "	20,247
64	..... " " 300 — 399 " "	19,637
22	..... " " 400 — 499 " "	9,366
88	..... " " 500 — 999 " "	52,194
212	..... " " 1000 — up " "	2,331,666
<u>982</u>	Shareholders	<u>Total Shares</u>
		<u>2,469,248</u>